

CCS HCS SCS SB 861 -- TRANSPORTATION FACILITIES

ADVANCED INDUSTRIAL MANUFACTURING ZONES (Section 68.075, RSMo)

This bill creates the Advanced Industrial Manufacturing Zones Act. Port authorities located in Missouri are authorized to establish an advanced industrial manufacturing (AIM) zone, which is an area that is being developed or redeveloped for any purpose so long as any infrastructure and building built or improved is in the development area. A zone may include any portion of the area located in the authority's jurisdiction, and its boundaries must be determined by the authority. More than one zone may exist within the authority's jurisdiction.

The bill creates the Port Authority AIM Zone Fund consisting of 50% of the state withholding tax from new jobs within the zone after development or redevelopment has begun. The money in the fund must be used for expenses to continue expanding, developing, and redeveloping zones identified by the port authority board of commissioners. No more than 10% of the total amount collected within the zones of a port authority may be appropriated by the legislature for the administration of a port authority. The authority must approve any projects, disperse money in the fund, and submit an annual budget for the collected funds to the Department of Economic Development explaining how and when the money will be spent.

No new AIM zones may be established after August 28, 2035. Existing AIM zones shall expire when any obligations being funded by the AIM zone are retired.

BRING JOBS HOME ACT (Section 143.1100)

This bill establishes the Bring Jobs Home Act and authorizes an income tax deduction equal to 50% of the eligible insourcing expenses associated with eliminating a business located outside of the state and reestablishing it in Missouri. The elimination may occur in a year other than the year the relocation occurs, and the expenses must be under a written insourcing plan. To be eligible for the tax deduction, the number of full-time employees in Missouri for the year the deduction is claimed must exceed the number of full-time employees for the year preceding the year in which the eligible insourcing expenses were paid or incurred.

Eligible insourcing expenses must be taken into account during the taxable year that the plan has been completed and all eligible insourcing expenses have been paid or incurred or, if the taxpayer chooses, the first taxable year after the taxable year the expenses have been paid or incurred. A deduction will not be allowed for

any expenses incurred when dissolving a business in Missouri and relocating it to another state.

The maximum annual amount of tax deductions is \$5 million and will be allowed on a first come first served filing basis. Any deduction that cannot be claimed in the taxable year can be carried forward up to five years. If a taxpayer is allowed a deduction under this program and within 10 years of receiving the deduction eliminates the business unit for which the deduction was allowed, the taxpayer must repay the state an amount equal to the amount of the deduction.

The provisions of the bill will expire six years after the effective date.

TRANSPORTATION FACILITIES TAX INCENTIVE (Sections 143.2100-143.2115)

This bill creates three types of income tax deductions for entities transporting cargo through water port facilities and airports in Missouri. The deductions will be administered by the Department of Economic Development.

Beginning January 1, 2017, but before January 1, 2023, manufacturers or distributors shipping cargo by waterborne vessel through a water port facility or by airplane through an airport located in Missouri may be eligible for a deduction. The taxpayer must increase by 5% the volume of cargo they transport through a port facility over the prior year's total. The 5% increase requirement will be waived if the cargo is transported through a new port facility that is expected to transport at least 25,000 twenty-foot equivalent units (TEUs) in its first calendar year. Taxpayers must have transported at least 75 net tons of noncontainerized cargo or ten loaded TEUs in the prior year to be eligible for the deduction.

The deduction will be \$50 per TEU or the noncontainerized cargo equivalent over the prior year's cargo volume. For cargo transported through a new port facility in its first year, the deduction will be \$50 per TEU. Taxpayers are limited to \$250,000 in deductions per year. No more than \$3.5 million deductions shall be allowed in a calendar year. No deductions may be claimed for tax years beginning after December 31, 2022.

Beginning January 1, 2017, taxpayers operating an international trade facility may qualify for a deduction based on the amount of cargo transported by airplane, rail, truck, or barge. The deduction will be equal to \$25 per TEU or 16 tons of noncontainerized cargo. No more than \$2 million in deductions may

be claimed in a fiscal year. No deductions may be claimed for tax years beginning after December 31, 2022.

Beginning January 1, 2017, taxpayers operating an international trade facility and increasing the volume of cargo by 10% over the prior year may qualify for a deduction. The deduction shall be in an amount equal to \$3,500 per new full-time employee or 2% of the capital investment made in the facility. The new employees or capital investments must be related to an increase in trade activities through international shipping to qualify for the deduction. No more than \$500,000 in deductions may be claimed in any fiscal year. No deductions shall be claimed for tax years beginning after December 31, 2022. The tax deduction amount cannot exceed 50% of a taxpayer's Missouri adjusted gross income in a tax year. The deduction may be recaptured if the number of full-time employees falls below the average number of full-time employees during the tax year.

PUBLIC-PRIVATE PARTNERSHIP TRANSPORTATION ACT (Section 227.600)

This bill adds any port facility, water facility, water way, fuel supply facility or pipeline, water supply facility or pipeline, wastewater or wastewater treatment facility, public building, vehicle parking building, vehicle parking facility, mass transit facility, or similar facility to the definition of "project" under the Missouri Public-Private Partnerships Transportation Act.

REDEVELOPMENT PROJECTS TAX CREDITS (Section 447.708)

This bill authorizes all demolition costs associated with the redevelopment of a former automobile manufacturing plant in St. Louis County that consists of at least 100 acres and was used primarily for the manufacture of automobiles until 2007 to be eligible for the Brownfield Redevelopment Program tax credit, provided that the Department of Economic Development determines that the redevelopment project will create at least 250 new jobs or at least 300 retained jobs, or a combination thereof. The amount of allowable costs eligible for tax credits shall be limited to the least amount necessary to cause the project to occur.